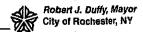


#### **Rochester Economic Development Corporation**



City Hall Room 005A 30 Church Street Rochester, New York 14614-1290

### March 9, 2011 Board of Directors Meeting Minutes

**Directors Present:** Gary Bonadonna, Jr., Bret Garwood, Sergio Esteban, James Genthner, Barbara

Jones, Richard Mueller, David Rodriguez, Brian Roulin, Ruth Scott, Elaine Spaull,

Dale Trott, Julio Vazquez, Lovely Warren

Staff Present: Daisy Algarin, Karen Altman, Donald Crumb, Esq., Susan Holt, Matt McCarthy,

Sharon Langdon

Secretary Present: David J. Balestiere

Bret Garwood called the meeting to order at 2:00 p.m.

#### I. Approval of December 3, 2010 Board of Directors Meeting Minutes:

Elaine Spauli motioned to approve the December 3, 2010 REDCO Board of Directors minutes, Barbara Jones seconded, and the minutes were unanimously approved. NOTE: Julio Vazquez was not present for this vote.

II. Resolution – RG Rock, Jr. Holdings LLC (Certified Grinding & Machine) – SBA 504 Loan

Daisy Algarin presented this loan request. The REDCO Board of Directors reviewed a request for a \$286,000 SBA 504 loan (\$293,000 debenture amount).

Certified Grinding & Machine, LLC (CGM) is a specialized manufacturing business which provides centerless grinding and other metal finishing services. The company's customer base consists of companies in the medical, aerospace, and military industries. The business specializes in a variety of parts fabrication work such as grinding, bending and polishing of metal parts. The business was started in 1964 by Paul Sage. Robert Rock, Jr. purchased the business in 2003 and began to successfully grow the business. Mr. Rock owns 100% of the business.

In 2010, the company's sales grew significantly due to new customers and better business conditions for existing customers. The company, located in 20,000 square feet of leased space at 850 St. Paul St., began to look for a facility with more space to accommodate growth. Mr. Rock will be purchasing and renovating a 38,000 square foot building located at 47 Scrantom St. The total project cost is \$716,000 consisting of \$535,000 for the purchase of the building, \$165,000 in renovation costs, and \$16,000 in soft costs

The loan request is for \$286,000; the total project cost is \$716,000. JP Morgan Chase Bank will fund both the building purchase and renovation costs through a \$644,000 construction loan. Permanent financing will be provided by a JP Morgan Chase Bank \$358 first mortgage loan; \$286,000 SBA 504 loan; and \$72,000 in equity. The SBA 504 loan will be secured by (a) second mortgage on the real estate

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located at 47 Scrantom St., 59 Scrantom St., and 5 Mozart Place (b) corporate guarantee of CGM (c) personal guarantee of Robert Rock, Jr.



Lovely Warren motioned to approve, seconded by Ruth Scott, and the resolution was unanimously approved.

# III. Resolution – 674 South Avenue, LLC (Hedonist Artisan Chocolates) – SBA 504 Loan

Matt McCarthy presented this loan request. The REDCO Board of Directors reviewed a request for an \$80,000 SBA 504 loan (\$82,000 debenture amount).

Hedonist Artisan Chocolates (HAC) produces hand-crafted chocolate truffles and other products. The products are hand rolled, cut, dipped, and decorated. HAC's products are sold both retail and wholesale. Retail sales are targeted at individual and business holiday customers. Wholesale sales are targeted at gift, specialty food and wine shops in the Rochester/Finger Lakes region. HAC is a sole proprietorship owned by Jennifer Posey. The business was started by Ms. Posey and Zahra Langford in January 2007. In conjunction with the real estate purchase and business expansion, Ms. Posey and Ms. Langford will be incorporating the business as Hedonist Artisan Chocolates, LLC with each as a 50% owner.

HAC currently leases 1,037 sq. ft. of space on the first floor of a commercial building located at 672-674 South Avenue. Due to growth in the business, HAC will be purchasing the building and expanding its operating space to include the entire 2,073 sq. ft. first floor space.

The total project cost is \$200,000, consisting of \$175,000 for the purchase of the 3,293 sq. ft. building, and \$25,000 in renovation costs.



The loan request is for \$80,000; the total project cost is \$200,000. M&T Bank will provide \$180,000 in financing for the building purchase and renovations. Permanent financing will be provided by an M&T Bank \$100,000 first mortgage loan; \$80,000 SBA 504 loan; and \$20,000 in equity. The SBA 504 loan will be secured by (a) second mortgage on the real estate located at 672-674 South Avenue. (b) corporate guarantee of HAC (c) personal guarantees of Jennifer Posey and Zahra Langford.

Sergio Esteban motioned to approve, seconded by Lovely Warren. Dick Mueller abstained as he is employed by M&T Bank and M&T Bank is providing financing for the project. The remaining Directors voted in favor of the resolution, and the resolution was approved by a majority of the Directors present.

## IV. Other Business

David Balestiere advised the Directors that the REDCO 9/30/10 financial audited statements have been completed and delivered by Freed Maxick & Battaglia, CPA's and that these statements would be presented at an upcoming Board meeting. He also updated the Board on the status of REDCO compliance materials for the NYS Authority Budget Office and advised the Board that the SBA 504 loan previously approved by the Board fo Regional Distributors, Inc. has been modified and that the new loan request will be presented to the Board for approval at the next REDCO Board meeting.

The meeting was adjourned at 2:30 p.m.



David J. Balestiere, Secretary